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Held at Headquarters, New York,
on Friday, 28 June 1996, at 3 p.m.

President: Mr. KOVANDA (Czech Republic)
(Vice-President)

later: Mr. GERVAIS (Côte d'Ivoire)
(President)

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STATEMENT BY THE PRESIDENT

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In the absence of Mr. Gervais (Côte d'Ivoire), Mr. Kovanda (Czech Republic), Vice-President, took the Chair

The meeting was called to order at 3.15 p.m.

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION (continued)

(b) COORDINATION OF ACTIVITIES ON A SYSTEM-WIDE BASIS: STRENGTHENING COLLABORATION BETWEEN THE UNITED NATIONS DEVELOPMENT SYSTEM AND THE BRETTON WOODS INSTITUTIONS IN THE AREAS OF SOCIAL AND ECONOMIC DEVELOPMENT AT ALL LEVELS, INCLUDING THE FIELD LEVEL (continued) (E/1996/72 and Corr.1)

Mr. SHAH (India) said that so far much of the cooperation between the Bretton Woods institutions and the United Nations system had been ad hoc; the recommendation in paragraph 46 of the note by the Secretariat (E/1996/72) for greater thematic and programmatic collaboration needed to be pursued. The different structural features of the institutions concerned and their distinct policy preferences and priorities, as well as the increasingly difficult climate for international development cooperation, provided the rationale for the need to strengthen collaboration. From the point of view of a recipient country, it was difficult when two different institutions suggested conflicting policy prescriptions, particularly as developing countries had little or no voice in the decision-making processes of the Bretton Woods institutions. That problem would need to be addressed when the next quota review came up.

Strengthened collaboration could provide only a partial solution. There was no substitute for increasing the level of resources and the concessionality in funding. It was particularly distressing that the level of official development assistance (ODA) continued to decline in overall terms, and the eleventh replenishment of the International Development Association was expected to be significantly reduced, despite the major commitments made by donor countries at the World Summit for Social Development.

It must be recognized that the approaches of the International Monetary Fund (IMF) and the World Bank were somewhat different from the more integrated and political approach that the United Nations must inevitably take. The

specific role of the United Nations as a democratic and universal body that could actively distance itself from the treasury view of development should not be lost sight of. The United Nations development system should also avoid recourse to the conditionalities which had adversely affected the image of the Bretton Woods institutions. The United Nations must continue to be seen as a collaborative and supportive partner in development.

The United Nations could serve as a forum for preparing broad policy guidelines and approaches before they were finally negotiated in the relevant trade, monetary or financial institutions and for making a critical assessment of the social and economic impact of the policies and development norms emerging in the Bretton Woods institutions.

Collaboration did not mean convergence of policies. The essence of democracy was to allow different ideas and approaches to flourish. Even while there should be collaboration in terms of data and statistical analysis, ample room should be provided for divergent approaches. Otherwise, there would be cyclical swings from one set of policy recommendations to the next.

The strengthening of collaboration with the Bretton Woods institutions was not a new idea; recommendations to that effect had been made at all the major United Nations conferences held since 1992, and specific measures for collaboration had been incorporated in the original agreement signed between the United Nations and the Bretton Woods institutions. What was needed was a more sincere attempt at implementation of those provisions through, inter alia, the inclusion of agenda items and the participation of representatives in each other's meetings. The process could then be taken further through innovative ideas to encourage increased interaction and cooperation. If strengthened collaboration was to become a reality, the major donors and the Bretton Woods institutions must exercise the necessary leadership.

Mr. TANAKA (Japan) said that his Government attached great importance to further collaboration between the United Nations system and the Bretton Woods institutions and therefore welcomed the commitment of the President of the World Bank to a more catalytic role by the Bank through strengthened partnership with all the actors in development. His delegation had also been glad to hear from the Administrator of the United Nations Development Programme (UNDP) that there was a spirit of coordination in terms of an effective division of labour and a commitment to work towards common objectives. Within such coordination, there

could be some duplication. Functions, resources and organs which overlapped could form a kind of reserve, to avoid delays in implementation.

His delegation attached particular importance to paragraphs 28 and 44 of the note by the Secretariat (E/1996/72). The programme approach was very useful since United Nations and World Bank resources, along with bilateral assistance, could be used in a complementary way in the context of a country's national development plan. The approach should be further pursued.

His Government supported the United Nations System-wide Special Initiative on Africa and urged the United Nations development system and the Bretton Woods institutions to coordinate fully with each other. In 1998 Japan would co-host the second international conference on African development; it hoped that the United Nations development system and the Bretton Woods institutions would take advantage of the opportunity to formulate specific projects and increase their coordination.

Mr. INSANALLY (Guyana) said that the strengthening of collaboration between the United Nations development system and the Bretton Woods institutions was of vital importance, particularly since the recent series of major United Nations conferences had produced mandates which required effective international cooperation for their implementation. His delegation supported the statement made by the representative of Costa Rica on behalf of the Group of 77 and China.

The note by the Secretariat (E/1996/72) highlighted the potential for collaboration at the country, headquarters and intergovernmental levels; that potential should be fully exploited. His delegation urged the Council to set a time-limit within which an exploratory review should be prepared by the United Nations and the Bretton Woods institutions, in accordance with General Assembly resolution 50/227, annex I, paragraph 86. It was to be hoped that the outcome would be a more effective pooling of resources.

At the field level, Guyana saw great value in engaging all development partners in a regular policy dialogue in order to ensure that programmes were fully integrated and compatible with national plans and strategies. That coordination process must be government-led if it was to be successful. At the headquarters level, it was imperative that the entire United Nations system should act as one in its responsiveness to the development needs of Member States. It must be fully cognizant of the priorities determined in the intergovernmental processes at the international level. Policies and activities

of the system must be coordinated to ensure maximum impact at the domestic level. In that respect, the inter-agency task forces should make an important contribution. Care must be exercised, however, to ensure that efforts were not duplicated.

From an intergovernmental point of view there was a need to strengthen the Council in its coordination of United Nations system activities in the economic and social and related fields and to enhance its interaction with the Bretton Woods institutions. At the World Hearings on Development in 1994, the view had been widely shared that the Bretton Woods institutions had strayed from their original mandates and consequently needed to reorient their functions to be more effective and more responsive to Member States.

There should be one integral system, and the Bretton Woods institutions should be guided by General Assembly resolutions as provided for in the Charter. The Secretary-General should participate in the joint meetings of the World Bank and IMF; in turn, the Bretton Woods institutions should submit their annual reports to the Council and state how they were implementing General Assembly resolutions.

Mr. BAILLARGEON (Canada) said that the United Nations system and the Bretton Woods institutions had supported government efforts to address some of the challenges of globalization. It was clear that an effective response required a meaningful institutional collaborative effort. There was still much scope for strengthening the relationship between the United Nations and the Bretton Woods institutions. An effective partnership should be based on three functions: cooperation in policy formulation, coordination, and technical cooperation.

Future cooperation on policy issues should go beyond structural adjustment to focus more consistently on other key development challenges at the sectoral, country, regional and global levels. There must be regular channels of communication between the two systems, at both the headquarters and country levels.

All but a few of the challenges faced by the United Nations system were exclusively sectoral in nature and therefore were beyond the capacity of any one part of the system to respond to on its own. Coordination should involve other multilateral institutions, regional banks and bilateral donors, particularly to

ensure integrated follow-up to global conferences and summits. His delegation welcomed the establishment of the three ad hoc inter-agency task forces.

At the country level, the key to enhanced coordination was in the links existing between the country strategy note and the country assistance strategy. The World Bank and IMF should participate, where appropriate, in the preparation of country strategy notes. At the request of local governments, the United Nations system should engage in tripartite policy and programming consultations with the Bretton Woods institutions and relevant local government authorities. That effort could lead to the design of balanced policy packages and the identification of joint programming initiatives to be implemented by the United Nations system. Another area of opportunity for system-wide coordination was post-conflict situations and peace-building, where the comparative advantage of the United Nations system could be strengthened by the early involvement of the Bretton Woods institutions. The mechanisms for coordination were largely in place and they should be used to enhance the possibility of a smooth transition from conflict to development.

At the system-wide level there were considerable opportunities for coordination and collaboration. A joint database could facilitate the development of common indicators to monitor and measure performance and the preparation of joint sectoral studies to support future programming. The potential existed for collaboration in joint evaluations in sectors or themes of particular interest to both systems and for the rationalization of data-collection and analysis in certain areas. That would require a clear division of responsibilities between the two systems.

Since the United Nations system did not have the resources needed to undertake extensive joint financing with the World Bank, block technical assistance funding could prove extremely useful to enhance technical cooperation between the two systems. Technical cooperation should focus on building capacity at the country level and, when requested by Governments, on the planning and implementation of relevant components of structural adjustment programmes in which the United Nations system had a comparative advantage. For example, country projects or programme initiatives of the Bretton Woods institutions which required an intimate knowledge of local conditions in a particular country could benefit from the country knowledge, expertise, delivery mechanisms and institutional access of the United Nations system.

The potential for enhanced collaboration between the two systems was considerable; if developed properly, it could support their respective mandates and ultimately facilitate the effective transfer and utilization of development assistance resources to developing countries. That in turn could facilitate the completion of the institutional chapter of the Agenda for Development.

Mr. LIAN (Observer for Norway) said that, since the United Nations development system was faced with increasing demands and dwindling resources, it was urgent that all multilateral development partners should cooperate in order to maximize total development efforts. If cooperation between the United Nations development system and the Bretton Woods institutions was to be effective, the relationship must be complementary and mutually beneficial; activities should not overlap, and due regard had to be paid to their respective mandates. Increased cooperation should not lead to new conditionalities that made United Nations operational activities subject to the same sort of policies as were applied to loans.

The issue of cooperation was complicated by the somewhat unclear division of labour between the United Nations and the Bretton Woods institutions, for example in the field of technical assistance. The comparative advantages of each institution must be utilized; the role of the Bank should be to support its own loan activities and impart its special expertise to developing countries, while the technical assistance provided by the United Nations development system should be strengthened in order to better support national development plans.

At the same time, it was clear that policy and project-related dialogue between each institution and the individual developing countries would benefit from inputs from other institutions.

His delegation strongly supported the United Nations System-wide Special Initiative on Africa; however, the initiative raised important questions related to the availability of resources and to how well the initiative was rooted in African countries. Practical cooperation should also be enhanced in the follow-up of global conferences and in post-conflict peace-building. Far too often, too much attention was given to coordination at headquarters level and too little coordination at the country level where the practical work was carried out. Norway believed that there was considerable scope for increased efficiency and effectiveness at the country level.

His delegation attached great importance to the early exploratory review provided for in General Assembly resolution 50/227; consideration should be given to holding separate meetings, including meetings organized around specific themes, and periodic high-level special meetings in conjunction with the semi-annual meetings of the Bretton Woods institutions. The Bretton Woods institutions should furnish their reports to the Council and the General Assembly to facilitate the discussions.

Mrs. FERRERO-WALDNER (Observer for Austria) said that recent major United Nations conferences had formulated a set of global priorities which could guide the world into a phase of intensified globalization. The experience of four decades of development cooperation had shown that people must be at the centre of all development efforts; that the development process must be country-driven, and the recipients must be the partners responsible for the coordination of all development assistance; that development cooperation had to respect local ownership of the development process; that development cooperation needed a comprehensive and continuous approach, drawing on the energies, resources and commitments of institutions and individuals at all levels; and that development cooperation must aim at reaching the mutually agreed targets set by recent United Nations conferences with the active participation of developing countries. Those global priorities must be operationalized immediately; and in that respect her delegation welcomed the new structure set up between the United Nations and the Bretton Woods institutions to improve communications and coordination. Global priorities would have to be linked with global economic integration.

She called upon UNDP to provide the development policy framework for activities carried out by specialized agencies, while at the same time accepting their leadership in, for example drug control and industrial development. While UNDP had weaknesses in programme design and delivery and had been affected by the general shift of resources and support to the Bretton Woods institutions, it retained comparative advantages in its field structure, national experts and resident coordinator system.

Enhanced technical cooperation in the field, along with intergovernmental coordination and cooperation, should be accompanied by an operational policy dialogue among all partners. While industrial countries had achieved efficient regulatory systems within their national economies, regulatory systems remained

rudimentary at the international level. It was therefore all the more important to confront issues of global economic governance.

As official development assistance declined in the face of rising need, the United Nations system and Bretton Woods institutions would have to consider new financing mechanisms, such as a currency transaction levy, to fund their global priorities. Austria proposed that the Council should provide a forum for discussion of innovative approaches to financing.

Mr. POWELL (World Food Programme (WFP)) said that, in the context of humanitarian crises, the World Bank in particular could become more involved in facilitating delivery of services at an earlier stage in emergency operations and in helping to lay the groundwork for a return to development by facilitating the transition from the emergency phase.

The Bank could fund improvements in basic physical and institutional infrastructure that were needed for both the relief effort and reconstruction. Such timely investments in emergency operations had the potential of offering higher rates of return for the recipient-country economy than could more conventional loans at a later date.

Earlier involvement in the emergency effort could also enable the Bank to minimize the risk of a hiatus between the start of the return to normalcy and the implementation of the recovery programme. Ways should be found for development initiatives launched in the emergency phase to continue uninterrupted into full-scale rehabilitation and development, and also to expand the repertory of naturally complementary functions shared by the World Food Programme and the World Bank, such as the immediate response of food aid and the longer-term reconstruction capacity of Bank funding. The resulting familiarity with each other's work would contribute to more efficient partnerships in emergencies. While each institution had its own concept of risk, each also needed to respond to the new generation of problems with innovation and flexibility.

Mr. KHAWAJA (Pakistan) supported the views of the Group of 77 on collaboration between the United Nations system and the Bretton Woods institutions contained in the Secretary-General's report and said that the basis, scope and level of such collaboration needed to be identified in order to identify ways to strengthen it.

The needs-based and country-driven approach of the United Nations system differed markedly from the conditional approach of the Bretton Woods institutions. The two had to be reconciled in order to effect greater coherence in international development activities without sacrificing the advantages of the United Nations approach. Moreover, while collaboration was increasing between the two systems in the areas of social development, the environment and poverty elimination, there was still a need to build channels for macro-economic policy coordination that would enhance the United Nations decision-making process. Collaboration should occur at the intergovernmental, secretariat and field levels, with efforts at the intergovernmental level to adopt common development approaches and strategies. There should also be a sustained dialogue between the secretariats of the Bretton Woods institutions and the United Nations development system, accompanied by strengthened collaboration and connectivity at the country level. The development plans of both systems should dovetail in the overall development strategies of the Governments concerned, which should take precedence.

Mr. WILMOT (Ghana) fully associated his delegation with the views expressed by the representative of Costa Rica on behalf of the Group of 77 and China. He urged that the ad hoc and selective approach to collaboration between the two systems described in the Secretariat's note (E/1996/72) should give way to a "more structured provision of support, at the request of Governments, based on mutual comparative advantages", (ibid., para. 46), especially at the programme and project level in countries.

Specific areas in which greater coordination was needed included the effective integration of United Nations development programmes, including those of the Bretton Woods institutions, with national plans and strategies; the effective and systematic participation of the Bretton Woods institutions in the United Nations resident coordinator system; the evolution of a country-level mechanism for coordinated integration of all external resources; and electronic linkage of all United Nations system and Bretton Woods institutions' field offices at the country level. The specific suggestions of the executive heads of the United Nations system, enumerated in the Secretariat's note, should also be implemented at an early date. However, he urged that the conditionalities and restrictive policies normally attached to the granting of loans should not be introduced in the development programmes of the United Nations system.

Mr. VILCHEZ ASHER (Nicaragua) said that his delegation fully supported the statement of the representative of Costa Rica on behalf of the Group of 77 and China. It reiterated the need to strengthen cooperation and coordination between the United Nations system and the Bretton Woods institutions by going beyond the comparative advantages of each and avoiding an exclusively operational focus. More systematic consultation was required between the two systems, especially in the area of social programmes. Structural adjustment programmes should also include social development goals, such as eradicating poverty, promoting full employment and integrating societies more effectively.

He called for the United Nations system and the Bretton Woods institutions to share a single development agenda and strategy for implementing it. In that context, he stressed: the importance of strengthening the programme approach at the country level and the participation of the Bretton Woods institutions in the resident coordinator system; the need for greater institutional participation in the policy dialogue in each country; the importance of cooperation in post-war or emergency situations; the possibility of extending to other spheres the results obtained in the Consultative Group on International Agricultural Research (CGIAR); the need to improve follow-up in the case of recent world conferences; the disability of joint meetings at five-year intervals of the Economic and Social Council and the Bank/Fund Development Committee; the need for meetings of the executive heads of the agencies and bodies of the United Nations system, to precede the meetings of the Bank/Fund Development Committee and the joint meetings of that Committee with the Council; and the importance of joint projects at the country level.

Mr. ANDO (United Nations Population Fund (UNFPA)) said that the relationship between the United Nations system and the Bretton Woods institutions at the country level was characterized by differences in the intensity of contacts and joint activities from one country and region to another, and he called for measures to institutionalize the process of consultation, collaboration and coordination at that level. The coordination process would also be facilitated by the production of joint country-needs assessments by the United Nations system and the Bretton Woods institutions and by a more efficient division of labour among the development partners.

Under the leadership of the United Nations Development Programme, UNFPA was participating in efforts to bring the two systems closer together. It was also

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Mr. RUNGE

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country levels, and was working closely with the Bank to
f effort and harmonize assistance strategies.

(Germany) said that his Government shared the view that
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institutional and personnel commitment at the headquarters
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perts, pooling of resources to save administrative costs,
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increase the absorptive capacity of developing countries.
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the relevant governing bodies in order that the
tems should better serve development interests.

(United Nations High Commissioner for Refugees (UNHCR))
ing support for a system-wide sectoral approach to
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d to the possible adverse effects of structural reform
stability. Since forcible displacement of populations
the failure of development, the return of refugees and
persons was vital for community reconciliation, which in
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e lack of it, directly affected chances for and the pace of

shown that the transition from relief to rehabilitation was
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tional actors available to provide protection and assistance
and fleeing civilians. Following a peace settlement,
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nstruction programmes, however, were not geared to the kind

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of rapid progress which returning refugee and local communities required. In order to overcome the gap between relief and rehabilitation, UNHCR had developed quick-impact projects designed to bring visible and immediate benefits to returning refugees and the areas receiving them and to serve as meaningful engines for development.

UNHCR was strengthening its cooperation with the development agencies and the Bretton Woods institutions in order to fill the gaps not covered by its mandate and capacity. Stressing the need for a new approach to post-conflict rehabilitation which dynamically linked relief to development, she said that the international tools needed to be adjusted to the new realities of war-torn societies. The objective should be to fill the gaps but avoid overlaps, taking into account the differing expertise required for emergency response, rehabilitation and development. Partnerships should be strengthened with regional institutions as well as at the international level. Advantage should be taken of the commitment, speed and flexibility of non-governmental agencies. Funds from humanitarian and development sources should be channelled for use by both humanitarian and development agencies in the process of rehabilitation. Finally, regional or subregional perspectives should be adopted, taking into account the impact of crises on neighbouring countries and their contribution to restoring social, political and economic stability.

Mr. KIMBERG (Observer for Denmark) said that the division of labour was a major concern when considering country-level cooperation between the United Nations and the Bretton Woods institutions. In recent years, the World Bank had taken over a number of development activities formerly carried out by United Nations funds and programmes. That had occurred in part because the Bank had vast financial resources and analytical capacity and in part because many United Nations system agencies lacked strong management and had failed to build up and maintain the necessary in-house technical expertise. A second concern in the area of country-level cooperation was the lack of coordination between the United Nations system and the Bretton Woods institutions. As a result, overlaps and fragmented project activities were common. Considerable amounts of time and money were wasted while organizations fought each other to obtain high-profile projects. In order to address that situation, United Nations organizations should concentrate their activities in a limited number of well-defined areas, in which they should gradually build up their capacity. In order to avoid

overlapping and rivalry between the United Nations organizations and the Bretton Woods institutions, an inter-organizational dialogue should be established.

Both the recipient countries and the donors counted on the international organizations for the provision of high-quality development and assistance. System-wide cooperation was required to achieve the maximum effect at the country level. In future evaluations of the World Bank and United Nations organizations, his Government would increase its emphasis on the country-level participation in multi-donor cooperation and would consider structuring its contributions according to the quality of that participation.

Mrs. McNISH (Jamaica) welcomed the more people-centred orientation of the macroeconomic policies of the Bretton Woods institutions. It was now widely acknowledged that good economic growth was growth that promoted human development in all its dimensions. As a result of trade liberalization, which had exposed many developing countries to fierce competition, and the steady decrease of official development assistance, the future of many developing countries was uncertain.

Over the years, Jamaica had benefited both from the flexibility of the United Nations system and the strict requirements of the Bretton Woods institutions. The World Bank and the United Nations Development Programme had been involved in her Government's poverty-eradication programme.

Turning to the question of collaboration at the country level, she emphasized that national leadership and ownership should remain guiding principles and that country-level cooperation should continue to be provided at the request of the client or recipient country. Her Government endorsed the critical role of the resident-coordinator system as a catalyst and facilitator in development-oriented activities and saw it as an opportunity for the United Nations to integrate development assistance in a coordinated manner under the policy direction of the countries themselves. With regard to enhanced future cooperation between the Bretton Woods institutions and the United Nations system, her delegation endorsed the proposal to hold joint meetings of the Council and the Bank/Fund Development Committee, as well as joint meetings of the heads of IMF, the World Bank, the International Labour Organization, United Nations funds and programmes and other agencies prior to Bank/Fund Development Committee sessions.

Ms. HAGEN (International Labour Organization (ILO)) said that it was the responsibility of the Economic and Social Council to promote development and trade policies that allowed every country to enjoy the benefits of the economic growth expected from globalization and to ensure that globalization was accompanied by social development and employment creation. Employment was the common ground between the International Labour Organization, the United Nations system and the Bretton Woods institutions. In all countries, unemployment, underemployment and precarious employment had reached proportions that threatened political and economic stability. While the major effort should occur at the national level, international cooperation to support and monitor national efforts in the area of employment was also essential.

In order to attain employment-generating economic growth, sound economic policies had to be accompanied by social policies aimed at improving the functioning of labour markets and workers' skills and providing adequate social protection. An industrial relations system that enabled social conflicts to be equitably resolved in full respect of workers' rights was needed. The International Labour Organization and the Bretton Woods institutions had been partners in promoting social advancement together with economic development. While often effective, that collaboration had at times been marked by tension caused by differing views on social issues, in keeping with the different mandates and objectives of those institutions.

The Administrative Committee on Coordination (ACC) had recognized the lead role of ILO in the field of employment and sustainable livelihood, and in the relevant ACC task force. ILO had enjoyed effective collaboration with many agencies. The President of the World Bank had recently visited ILO and discussed ways to enhance collaboration between the two organizations in the fields of technical cooperation, employment promotion and enterprise development.

ILO supported initiatives to intensify dialogue and collaboration, including the specific suggestions listed in paragraph 12 of the note by the Secretariat (E/1996/72). She noted that past efforts of ILO to be recognized as an official observer at sessions of the Bank/Fund Development Committee had not been successful. It was to be hoped that the current deliberations would lead to dialogue on a more regular basis.

Mr. LOZANO (Observer for Mexico) said that his delegation disagreed with those countries which believed that the discussion of development and international cooperation in the United Nations, particularly in the Economic and Social Council, should be limited to technical assistance activities. History had proved that the United Nations had the capacity and competence to discuss substantive matters and policies in the economic sphere. His delegation agreed that the cooperation between the United Nations system and the Bretton Woods institutions, particularly at the field level, should be expanded and strengthened.

In keeping with General Assembly resolution 50/120, the report under consideration (E/1996/72) should also have included information on areas of cooperation in addition to that relating to plans and programmes. While it was true that coordination between the United Nations and the Bretton Woods institutions had improved, there still was room for further improvement. The task would not be easy, given the reluctance of some industrialized countries to have the United Nations take up matters relating to the work of the International Monetary Fund and the World Bank.

The new realities of the international situation called for greater complementarity and consistency in the activities and approaches of the various international forums. An integrated response to old and new challenges was required. The executive heads of the international financial institutions should provide the General Assembly with a report on the principal conclusions and recommendations arising out of the activities of those institutions. A debate on that report, either in the plenary Assembly or the Second Committee, would significantly enrich the proceedings of the General Assembly. Similarly, the President of the General Assembly or the Chairman of the Second Committee could submit a report of the Assembly to the financial institutions explaining the content and scope of its resolutions which were related to their spheres of activity.

His delegation noted with interest some of the proposals by the executive heads relating to the strengthening of cooperation with the Bretton Woods institutions. Those proposals, together with the provisions of General Assembly resolutions 50/91 and 50/227, demonstrated that cooperation between the United Nations system and the Bretton Woods institutions in areas other than cooperation in the field could be enhanced.

Mr. ABDELLATIF (Egypt) said that the note by the Secretariat (E/1996/72) clearly sets out important considerations regarding means for enhanced collaboration between the United Nations development system and the Bretton Woods institutions. He underscored the importance of implementing General Assembly resolution 50/227, with a view to carrying out the recommended exploratory review to be prepared jointly by the United Nations and the Bretton Woods institutions with a view to identifying areas in which communication, cooperation and coordination could be improved.

The key factors which had led to an increase in the areas of cooperation between those entities were an enhanced understanding of the general guidelines which should underlie development strategies and a near-convergence of views on how those strategies should be implemented. It was essential to reach a clear understanding on the ordering of priorities as well. Increased cooperation between the Bretton Woods institutions and the United Nations development system should not be based solely on the relevant organization's comparative advantage, nor should the role of the United Nations be decreased. His delegation fully agreed with the Secretariat that such cooperation should be sustained and should include all stages from policy formulation to project monitoring and evaluation (E/1996/72, para. 46).

Mr. SYCHOU (Belarus) welcomed the support provided by the multilateral financial institutions for sustainable economic development in the developing countries and in the economies in transition. The globalization of development had appropriately led to increased cooperation between the Bretton Woods institutions, the United Nations development system and various ad hoc bodies, in the context of the follow-up to recent major global conferences and in the sphere of technical cooperation. He underscored the need for great coordination and complementarity between the United Nations and the multilateral financial institutions, in particular as they implemented their individual programmes and projects. That would further enhance the efficiency of the United Nations operational activities for development, since the decisions taken by multilateral financial institutions exerted considerable influence on the economic and monetary policies of Member States.

His delegation agreed with the Secretariat that such cooperation should be sustained and should include all stages, from policy formulation to project monitoring and evaluation (E/1996/72, para. 46). A more extensive network of

experienced United Nations representatives in the field could provide valuable assistance to the international financial institutions in planning and implementing their programmes. Such cooperation should not result in increased restrictions on loans. In conclusion, he said that high-level meetings such as the one currently in progress should be held on a regular basis in order further to enhance cooperation among development organizations.

Mr. MOODY (International Fund for Agricultural Development (IFAD)) said that he was speaking in his capacity as the Chairman of the Joint Consultative Group on Policy (JCGP), comprising representatives of the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and IFAD. JCGP had taken significant steps to address the operational issues dealt with in General Assembly resolutions 47/199 and 50/120. Considerable progress had been made during the past year by JCGP member organizations in increasing their harmonization of policies and operational activities at both the headquarters and field levels. Work was under way on a common approach to a policy for using key data for the preparation of the JCGP common country assessment, and the five member organizations were working to harmonize their programming cycles. As of March 1996, full harmonization had been achieved in 27 countries and, by 1999, harmonization was expected to have been achieved in 115 countries.

Two or more JCGP partner organizations now shared common premises in 52 countries and some other United Nations organizations also shared the facilities. Although sharing of common services had progressed more slowly, various initiatives would be pursued further in the coming year, including guidelines for common standards in information and computer technology, joint management of surpluses by UNDP and UNFPA in Eritrea and common management of services by all JCGP organizations in South Africa. Work was also in progress to harmonize efforts with respect to personnel and training.

He described the work of JCGP to ensure that gender issues and indicators were properly incorporated in national planning. Other accomplishments of JCGP during the past year included: the establishment of a working group to address the harmonization of common indicators from monitoring and evaluation of programmes; agreement on a common approach to payments to local staff; progress

on the country strategy note and advancement of work to define a common measurement system of accountability for development assistance.

Each year, JCGP chose a thematic approach to its work, thereby allowing closer collaboration among its member organizations. In 1995, under the theme of nutrition and food security, IFAD and UNICEF had intensified dialogue on ways to co-finance field operations in order to complement their respective activities in household food security and nutrition among very poor people. They had also developed a joint position and statement to be submitted to the Director-General of the Food and Agriculture Organization of the United Nations for the World Food Summit. An independent review of the role of JCGP within the changing environment of the United Nations was to begin shortly and was intended to provide an objective assessment of the value, potential impact and constraints of having the member organizations work closely together, as called for in various General Assembly resolutions. It was hoped that the study would answer the important question whether that type of cooperation and coordination could serve as a working model for other United Nations agencies.

Mr. del MAR (Philippines) said that, while there had been remarkable improvements in the economies of some developing countries, their needs and those of the least developed countries continued to grow. At the same time, the overall level of official development assistance (ODA) to developing countries had declined. While his delegation supported the strengthening of collaboration between the United Nations development system and the Bretton Woods institutions, it emphasized that such collaboration should not be used to justify the decrease in resources for ODA and for United Nations funds and programmes. A formal understanding of the nature, extent and areas of that collaboration was needed. In that regard, he wondered whether the Bretton Woods institutions were willing to respond to the respective needs and concerns of the developing countries and whether strengthened cooperation would become official policy on the part of the Bretton Woods institutions.

Finally, his delegation welcomed the modifications made by both the World Bank and the International Monetary Fund in their adjustment programmes aimed at mitigating the negative effects of those programmes and allowing for greater social stability. His delegation hoped to see that trend continue and serve as a solid foundation for a viable and strengthened cooperation between the United Nations system and the Bretton Woods institutions.

Mr. ALOM (Bangladesh) expressed his delegation's sincere appreciation to the World Bank, the International Monetary Fund and UNDP for their approach to the task of collaboration and said that a good start had been made towards the implementation of General Assembly resolution 50/120. The operational activities of the United Nations system were vital to promoting the cause of development worldwide and were a tangible expression of international solidarity. His delegation reaffirmed the validity of the principles and objectives set out in the consensus of 1970 contained in General Assembly resolution 2688 (XXV) and other relevant resolutions of the General Assembly, in particular, its resolution 32/197.

A new international development strategy should be devised, to which end the role of international organizations, in particular the United Nations and the Bretton Woods institutions, should be reinforced to enable them to serve as catalysts for strengthening global partnership. The strategy also should aim to alleviate poverty, inter alia, through meaningful human resources development. The United Nations had a crucial policy-making role in defining such a strategy and promoting the means for its implementation in a focused, streamlined, efficient and sustained manner.

His delegation had consistently maintained that development should be promoted through a comprehensive participatory approach supported by the resources and political will of donor and recipient countries and through country-specific approaches to local requirements. It was essential to improve coordination and cooperation between the Bretton Woods institutions and the United Nations. He further stressed the value of a genuine dialogue between the Economic and Social Council and the Bretton Woods institutions.

It was important to devise new people-centred models of development which enhanced human dignity and human life. Local government, civil society, non-governmental organizations and private enterprise should jointly play a leading role in development. Donor countries should establish a specific time-frame for the achievement of the 0.7 per cent ODA target in the coming years. There was a new sense of urgency about the need to settle the external debts of the poorest countries. Efforts to reduce trade protectionism, arms manufacturing and exports to potential trouble spots should be initiated and transparent curbs should be imposed on the flow to foreign banks of money obtained through corruption. His delegation also was in favour of strengthening

regional cooperation, the regional economic commissions and the regional development banks.

Mr. KA (Senegal) emphasized how important it was to strengthen coordination and cooperation among the organizations conducting operational activities for development at a time when resources were shrinking and the need for aid was increasing. An integrated approach also was needed in the context of the follow-up to the recent major world conferences.

His delegation welcomed the establishment of multidisciplinary teams which would be responsible for monitoring international commitments in the fields of the environment, social development, employment and the advancement of women. The World Bank's leadership of the team dealing with environmental issues and its commitment with respect to the System-wide Special Initiative on Africa clearly demonstrated the value of inter-agency collaboration.

His delegation paid a tribute to the tireless efforts of the Administrator of UNDP in support of the work of resident coordinators. The role of resident representatives as coordinators and focal points of operational activities for development should continue to be strengthened, and there should be closer cooperation between resident representatives, the Bretton Woods institutions and government authorities in the elaboration of country strategy notes and in the harmonization of projects and procedures for their implementation, in strict compliance with national objectives and priorities.

The Economic and Social Council had a crucial role to play in defining coherent objectives and principles to guide the operational activities of the United Nations system. His delegation welcomed the consensus attained in General Assembly resolution 50/227 on the restructuring and revitalization of the United Nations in the economic, social and related fields. The resolution marked significant progress in strengthening cooperation between the United Nations and the Bretton Woods institutions.

His delegation noted with concern the continuing decline in ODA and remained convinced that pledging conferences provided the best framework for States to renew their commitment to operational activities for development.

STATEMENT BY THE PRESIDENT

The PRESIDENT, summing up the high-level policy dialogue, said that the discussion had focused on trends in the world economy, the issue of

globalization, financial and trade questions, debt, and cooperation and coordination within the United Nations system.

World economic growth was encouraging although many countries continued to have an economic performance below their potential. Developing countries, as a group, were making a major contribution to the growth of the world economy. Their growth, which in many cases seemed to be independent of the stimulation of the developed economies, was expected to continue to outpace that of the industrialized countries. Growth, however, remained uneven, with a small number of developing countries growing rapidly, a larger number showing improved performance, and the least developed and African countries lagging behind. Many countries with economies in transition were moving towards a high-growth path.

Developing countries had made substantial efforts, in many cases unilateral, with respect to trade liberalization. Those efforts must be further intensified in all countries. Development efforts at the regional level were also important. Intensifying regional cooperation should not be pursued as an alternative to global liberalization but should be complementary to a multilateral and open trading system in accordance with World Trade Organization (WTO) rules. At the same time, the importance of an external economic environment determined primarily by the economic and trade policies in developed countries and of international economic cooperation for continued economic and social progress in all countries must be underscored. It had been suggested that the major industrialized countries should coordinate policies of economic expansion to increase demand and combat unemployment. The acute problems of the increasing number of least developed countries required decisive international action and assistance if they were to be overcome.

The problem of declining official development assistance, often under the tenuous rationale of fiscal constraint, had to be addressed urgently. Adequate financial resources were required to enable international financial institutions to fulfil their mandate, and the recent disconcerting trends and developments in that area had been noted. Debt relief for the least developed countries was crucial in the fight against poverty. Hope had been expressed that a solution would be found as the World Bank and the International Monetary Fund continued their efforts to bring the external debt, including the multilateral debt of heavily indebted poor countries, to an acceptable level.

The discussion had revealed a growing international consensus on the main elements of sound economic policies. The problem in regard to structural adjustment programmes was how to ensure that they yielded good results. While recent improvements in growth in Africa had suggested that well-designed structural adjustment programmes could restore growth, that did not mean that nothing else was needed. In particular, experience had clearly demonstrated that provision must be made for the expansion of social investment and the alleviation of poverty.

Globalization, in particular global financial integration, provided opportunities while creating challenges. With full knowledge of the risks and returns, it was high time that the issue of the post-globalization agenda was addressed. Adequate, equitable and effective rules of the game were an essential prerequisite for stability and balanced global growth. Efforts were being made to establish a system of financial cooperation capable of preventing the emergence of serious financial crises, thus allowing the developing countries to take advantage of the increase in private capital flows. The avenue for further progress and improvement in that area should be explored. Globalization discussions so far had mainly referred to trade in goods and services and had tended to overlook technology, labour and migration flows. It had been suggested that labour should be made part of the liberalization agenda.

Progress had been made in the cooperation between the United Nations and the Bretton Woods institutions in a number of important economic, social and environmental areas. The System-wide Special Initiative on Africa and the Administrative Committee on Coordination (ACC) inter-agency task forces on the follow-up to conferences provided useful avenues for enhanced cooperation between the Bretton Woods institutions and the rest of the United Nations system. The ongoing reform of multilateral financial institutions and of the United Nations Conference on Trade and Development (UNCTAD) had been touched upon. The mandate given to UNCTAD at Johannesburg had been considered encouraging. Cooperation between the Bretton Woods institutions and the United Nations system could also be developed further in that context.

Many speakers had noted that the high-level policy dialogue of the Council with the heads of multilateral trade and financial institutions had been very useful in facilitating discussion of international economic issues, including those arising from the process of globalization and liberalization. Some

participants had suggested that the dialogue might gain from being more focused on selected themes. Attention had been drawn to the need to ensure that participation in the one-day policy dialogue should continue to be at the executive-head level, as in previous years. The President of the Council had been encouraged to pursue that question with the bodies concerned.

Turning to the high-level segment on international cooperation against the illicit production, sale, demand, traffic and distribution of narcotics and psychotropic substances and related activities, he noted that the problem of drug abuse and illicit traffic was now fully recognized as being global. Consequently, the traditional distinction between consumer, producer and transit countries was disappearing. The struggle against drug abuse and trafficking was an international priority and a shared responsibility. Therefore, a strong political will on the part of the international community as well as international cooperation were essential for it to succeed. Developing countries required assistance to deal with the drug problem. In that connection, reference had been made to the importance of alternative development programmes which should encompass measures in a range of areas and involve the participation and commitment of the people concerned. Illicit traffic in and abuse of drugs had deep social repercussions, including their impact on youth, the HIV/AIDS pandemic, and effects in terms of corruption. The relationship between drugs, crime, organized crime and arms trafficking had been emphasized by a number of speakers. The economic costs and effect of that scourge were devastating.

The three major international drug control treaties, the International Narcotics Control Board (INCB), which ensured their implementation, the Global Programme of Action, the System-wide Action Plan and the United Nations Drug Control Programme (UNDCP) provided a solid framework for government action and international cooperation to combat illicit drug abuse and trafficking. What mattered now was universal adherence to the drug control treaties, and the implementation of their provisions by all countries, at the national and international levels. In particular, the 1988 Convention, and the measures it contained for international cooperation, had to be urgently implemented. National and international drug control strategies had to be dynamic so as to respond to the evolving drug situation. New trends in drug abuse and trafficking had been highlighted, and a major concern appeared to be growing

abuse of drugs with stimulant properties, particularly among young people, in many countries. There was agreement on the importance of an integrated, multifaceted, multisectoral, comprehensive and balanced strategy, encompassing supply and demand reduction. More weight had to be given to demand reduction. The efforts of the Commission on Narcotic Drugs to draft a declaration on demand reduction had been endorsed, and it had been stressed that the biggest priority in tackling the social aspects of the drug problem was to prevent abuse by young people.

The struggle against money-laundering was an integral part of the struggle against drugs. All countries should adopt effective countermeasures and implement the provisions of the 1988 Convention. A proposal had been made for a new international instrument in that area. Progress was required not only in the matter of precursor control but also with respect to the implementation of the relevant provisions of the 1988 Convention. Policies to address the economic and social factors of drug abuse, including poverty, were crucial to solving the drug problem. The importance of measures to combat organized crime and corruption and of international cooperation in that area had also been stressed. Civil society, including non-governmental organizations and the private sector, had an important role in the fight against drugs. Partnerships should be established between development agencies and drug-control organizations at the national and international levels. In that regard, the struggle against drugs required action that the United Nations was ideally suited to take.

An international mechanism to provide more accurate and coherent information on drugs, monitor activities in that field and ensure the exchange of information was required.

There was strong support for the proposal of the Commission on Narcotic Drugs for a special session of the General Assembly in 1998 to enable Governments to reaffirm their commitments to drug control at the national and international levels. Such a session should agree on measures to strengthen international drug control. Specific proposals had been made on issues that should receive special attention, such as money-laundering, precursor control and abuse of stimulants. The current high-level segment had contributed to the preparation of that special session, and the Council could pursue efforts to that end.

Emphasis had been placed on trends and strategies at the regional and subregional levels, and considerable support had been expressed for UNDCP, the various dimensions of its strategy and its role. There was a broadly shared concern that the resources available to the Programme needed to be commensurate with its functions and its expanded mandate. Many more countries should assume greater responsibility for funding the essential elements of the UNDCP mandate. Many delegations had addressed that issue and made concrete proposals.

System-wide action and cooperation within the United Nations system had also been addressed. The struggle against drugs must be an integrated action of various agencies united in partnership. The System-wide Action Plan was a valuable instrument which needed to be strengthened in line with ACC recommendations. A number of agencies had addressed the demand or the supply side of the drug problem, depending on their mandates and interests. Reference had been made to the role of international financial institutions.

On the question of the legalization of illicit drug use, firm opposition had been expressed.

The meeting rose at 6.30 p.m.